Abstract

College access and equity are vital to advancing higher education and providing an opportunity for everyone in the United States to be educated and pursue their career goals. When key investments are made in educating students, the country succeeds both economically and socioeconomically. College graduates with a bachelor’s degree typically earn 66 percent more than those with only a high school diploma; and are also far less likely to face unemployment. However, with rising college tuition costs, not producing sufficient degree attainment and other challenges rising, there is much at stake for the future.

America must invest in higher education to prepare the future workforce that is needed to sustain a strong and vibrant economy. Community colleges appeal to many students as they are affordable, easy to access, and have a flexible schedule to complete within a predetermined period of time. For context, about half of dependent Hispanics enrolled in two- or four-year colleges have family incomes below $40,000, compared with just 23% of white students. Cost matters to Latinos and community colleges simply tend to be more affordable than four-year institutions. Furthermore, the community college system is the pipeline to a four-year institution where one can receive their bachelor’s degree at an affordable cost. The average annual cost of tuition and fees at a community college in 2012-2013 was $3,130, as compared to the tuition and fees for 4-year public college of $8,660.13.

In 2012, 46% of Latinos in higher education were enrolled in community colleges, compared to African American (34%), Asian (32%), and White (31%) students in higher education. More measures must be taken to ensure Latinos transfer to a four-year institution and obtain a bachelor’s degree. When Latinos represent the largest minority group in America and are not able to positively impact the workforce, this presents a major problem. As of 2014, among Hispanics ages 25 to 29, just 15% of Hispanics have a bachelor’s degree or higher. Latino students do not have sufficient resources to successfully transfer from a two-to-four-year institution. Of students who started at a 2-year college in 2006, 58% of Latinos needed remediation, compared to African Americans (68%) and Whites (47%). This evidence demonstrates the need to prepare Latino students in community college so that they can successfully transfer within two years.

Of Latinos who enter institutions of higher education to pursue a bachelor’s degree, more than 50% begin their studies in the community college system. In Fall 2014, 56 percent of Hispanic undergraduates were enrolled at community colleges, while 44 percent of black students and 39 percent of white students were at community colleges. Yet, there are unique barriers in this growing population that make them the largest ethnic group which is unsuccessful at transferring into a four-year institution and receiving a bachelor’s degree. It is critical to examine the obstacles that this population faces and be cautious not generalize the path to acquiring a college degree.

The Lumina Foundation has a goal to increase the proportion of Americans with high-quality degrees, certificates, and other credentials to 60% by the year 2025. Latinos are the largest minority group in America, yet they fall short in college degree attainment. On a state policy level, California is highlighted as a best practice case to addressing transfer rate challenges. As no federal policy currently exists that specifically addresses transfer rates, one is recommended herein, as well as specific amendments to the Higher Education Act (HEA). The use of state and federal policies will need to be carefully assessed to ensure that institutions of higher education can...
support students who aim to complete a college degree.

To also help support the research presented, the California community college system and multi-sector partnership models are analyzed in depth to provide different perspectives to how various stakeholders are addressing the education gap. This white paper seeks to better understand how institutional barriers such as assessing transfer rate requirements, state and federal policies, financial aid needs, and other areas, impede Latino students from transferring from a two-year to a four-year institution.

Background

The Higher Education Act (HEA) oversees all federal student aid programs and was last reauthorized in 2008 as the Higher Education Opportunity Act (HEOA). Although some budget modifications have been made since then, there remains a need to reauthorize in a comprehensive manner that truly supports students in attaining a postsecondary degree. The last reauthorization involved providing more funding for financial aid programs and supporting minority-serving institutions in increasing college access and lowering costs. HEA has been and continues to be necessary in helping to clear the path towards degree attainment.

For Latino students, Title III, IV, and Title V each provide critical areas of support towards the rising minority group:

- Title III provides specific financial aid support to minority-serving institutions (MSIs). For Latinos, Hispanic-Serving Institutions (HSI) receive funding from the U.S. Department of Education (ED), considering high 25% enrollment of Latino students.9

- Title IV, Part A authorizes numerous grant programs—financial assistance that does not need to be repaid by the recipient—for students who attend eligible institutions participating in Title IV programs. This type of “student assistant” allows eligible students to receive federal financial aid such as a Pell Grant and Federal Work-Study. Additionally, TRIO programs are built into Title IV, Part A as student services programs.10

- Title V authorizes funding for developing institutions and includes the Promoting Postbaccalaureate Opportunities for Hispanic Americans Program, which provides grants to institutions to expand postbaccalaureate academic offerings and enhance the program quality in the institutions of higher education that are educating a majority of Hispanic college students and helping large numbers of Hispanic and low-income students complete postsecondary degrees.11

HEA funding expired in 2013 and has since been extended to ensure student support mechanisms remain in effect; however, it remains uncertain as to when it will be reauthorized once again. It is vital that the future reauthorization provides ample financial aid to support all high-need students. College access and accountability metrics that produce outcomes of degree attainment and sufficient financial aid need to be part of the reauthorization to relieve the burden of debt and uncertainty to middle-class Americans. For community college students, particularly Latinos, more direct investment must be made prior to transferring onto a four-year institution.

National Community College Transfer Rates

Nationally, community colleges have a 60% transfer rate of success of students moving towards a four-year institution to pursue a bachelor’s degree. Per the National Student Clearinghouse, only one in five community college students transfer to a four-year institution; 60 percent of those who do so will earn a bachelor’s degree within four years.12 With such a large gap in degree attainment, the question remains as to how students can transfer successfully and obtain a bachelor’s degree. Necessary measures must be taken to support those remaining students who do not transfer to a four-year institution.

With nearly half of all Latinos students in higher education are enrolled in community college, ensuring their success is critical to preparing a strong and vibrant workforce. Nationally, in fall 2014, 42% of all undergraduate students and 25% of all full-time undergraduate students were enrolled in community colleges.13 This goes to show that nearly half of all students across the country start of their higher education at a community college. In 2013, 22% of all enrolled public two-year college students were Hispanic—a greater share than their makeup of all students—and that figure has risen from 14% in 2000.14 Although Latinos are the largest minority group to enroll in the community college system, they are the least likely to transfer and earn degrees. States such as California and Texas have the highest number of Latinos enrolled at community colleges. In 2012-13, 62% of Latinos enrolled in a community college attended an institution in California or Texas.15
“America’s economic future relies on the education of the rising workforce.”

A State Perspective: Community College Transfer Rates in California

States must invest more in higher education rather than making budget cuts. With cuts being made across states, public institutions of higher education have been forced to increase their tuition, along with other costs associated with student attendance. Since the Great Recession, community colleges have seen a 20 percent increase in enrollment, while four-year public universities have seen an increase of only 10.6 percent. Community colleges, compared to four-year institutions have lower tuition costs, tend to be closer to home for many Latino students, and have an easier enrollment process. When states disinvest in higher education and therefore community colleges, low and middle-class families suffer the most. According to the California Community College (CCC) Student Success Scorecard, fewer than half (48 percent) of all community college students complete a degree or certificate, or transfer to a four-year university within six years. For Latinos, that rate is 39 percent.

America’s economic future relies on the education of the rising workforce. Without having prepared workforce, not all jobs will be fulfilled in order to create a strong economy for the decades to come. For every $1 California invests in students who graduate from college, it will receive a net return on investment of $4.50. State investment in public education is critical and community colleges are at the forefront of acquiring a higher education. As of the 2010-11 academic year, 65% of students who obtained a bachelor’s degree in California were also previously enrolled at a community college. Additionally, the Public Policy Institute of California estimates by 2025 California will face a shortage of 1 million college degree and certificate holders needed to fuel its workforce. Aligning with the Lumina Foundation’s goal of increasing college degree attainment to 60% nationwide, the challenges are still an uphill battle.

To create better transparency and simplify the process of transferring from a community college to the California State University (CSU) system, the California State Legislature passed the Student Transfer Achievement Reform Act, also known as Senate Bill 1440, on January 1, 2011. The bill allows an easier, more cost-effective transfer path once a student obtains an associate’s degree and has a minimum of 60 credits. SB 1440 specifically creates two specific associate’s degrees that can be earned and then accepted by the California State University systems: the “Associate in Arts for Transfer (AA-T)” or “Associate in Science for Transfer (AS-T).” Once a student receives either associate degree, they have priority admission into one of the CSUs and enter with “junior status.”

In recent years, California has led innovative efforts to help clear the path even further for transfer students. Although Latinos are the fastest growing population in the state, there still is not enough are graduating with their bachelor’s degree. The question remains as to how California’s economy can grow and meet the demands of the future workforce if they are not maximizing their changing human capital. Only about 30 percent of Latino California community college students actually transfer to a four-year university within six years compared with 39 percent of all students.

While about 43 percent of California’s community-college students are Latino, their degree completion is low. Only around 16 percent of Latinos over the age of 25 in California have an associate’s degree or higher, compared with about 38 percent of adults in the state.

To add to SB 1440, California also passed Senate Bill 1143, which created a task force to work with community colleges in how they can do better. This involves oversight and collecting information to take necessary steps to best help students once they begin their postsecondary education. At the state leadership level, California selected Eloy Ortiz Oakley, the first Latino to serve as Chancellor of California’s Community Colleges. With Latinos being the largest group enrolled in higher education and a growing demographic in the State, California is primed to lead the way for what successful transfer rate and college attainment should look like in every state.

Two-year and Four-year Partnerships

Educational partnerships are critical to the successful transfer of students to four-year institutions. Examples across the country demonstrate that intentional partnerships can successfully increase upward mobility for all seeking a higher education.

A key partnership exists between Everett Community College (EvCC), University of Washington, and Western Washington University. Everett Community College, a community college, has established a strong emphasis in supporting their students in transferring within two years through effective faculty guidance and other measures. EvCC helps students by stating what their major aims to be once they transfer at the beginning of their two-year program, rather than at the end when
they are about to transfer. Students also have the ability to take upper-level courses that the four-year institution partners have agreed to accept once they transfer thanks to the creation of “student centers.”

**Transfer Rate Challenges**

The Latino experience varies amongst students. Like many families across the country, Latino students find themselves taking on a full course load, taking one job or two, and supporting their family financially. Latino students also face the challenges of being the first in their families to pursue a post-secondary education.

While it is typically understood that two years is sufficient time to meet the requirements at a community college before transferring, data shows that this is not the case. According to the National Student Clearinghouse Research Center, about 60 percent of all two-to-four transfer students graduated with a bachelor’s or higher degree within four years of transferring. Many students find themselves thinking they have enough credits, they realize that they need another course or that one of the courses they took will not transfer. Clear articulation agreements, or “transfer guides”, are an important resource to help avoid any loss in credits being transferred; more important, to avoid any loss in time. The agreements exist between a two and four-year institutions as an understanding that similar courses at both institutions will meet four-year degree requirements.

A major lapse in community college systems today, however, is that credit articulation agreements are not required by nor coordinated by every state, leaving many students across the country at a disadvantage when planning their transfer to a four-year institution.

A deep slash to financial aid to help pay for tuition and other expenses for high-need students creates a wide-range of other problems. This may result in students delaying their transfer to a four-year institution or dropping out completely, while continuing to accumulate student loan debt along the way. Based on the two funding formulas developed by the U.S. Department of Education (ED), funds are distributed to institutions of higher education (IHEs) based on the fiscal year of 1999 (FY 1999).

The “fair share allowance” is the amount given to an institution based on how much they received in previous years. In their current design, these funding formulas put the most high-need students of many HSIs and community colleges at a disadvantage. The “fair share allowance” ironically gives institutions established before 1999 an advantage over any who have come after – many of which are community colleges. Typically, more established institutions (both public and private) are at a better advantage of receiving more money due to higher endowment and budgets to newer schools after FY 1999. This discrepancy leaves many students, particularly Latinos, with not enough aid to fully fund their education. This disproportionately gives funds to older and more “established” universities who, during 1999, had more funds to match financial aid given by ED. In other words, community colleges receive less federal funding; because they tend to be newer institutions and have less funding readily available to show that they can match federal financial aid funds.

Community colleges do not receive enough state and federal financial aid funding to support their students as they provide their campus-based aid to their students. Many community college students receive some form of financial aid and around 40% receive federal student aid, mostly in the form of grants under Title IV of the HEA. With less funds for those who need it the most, college enrollment and college attainment will continue to decrease.

**Recommendations**

With the intention to create practices that better support students in transferring to a four-year institution, measures include sufficient knowledge of the transfer process for both the student and the institutions, a funding stream that incentivizes colleges and universities on strong accountability measures, and state and federal policies to implement. The following recommendations are proposed to support improved four-year degree attainment for Latinos who transfer from a community college.

**Amend Title III and Title V**

Title III and Title V both provide support to both low-income students and Hispanic-Serving Institutions (HSIs).

**1a. Amend Title III**

The amendment for Title III will help institutions collect data that shows a high amount of low-income students who depend heavily on financial aid, they can then receive additional funding. Moreover, this creates a level of accountability on the community colleges to create their own institutional measures that ultimately supports degree completion. Title III of the HEA
helps eligible IHEs to become self-sufficient and expand their capacity to serve low-income students by providing funds to improve and strengthen academic quality, institutional management, and fiscal stability.26

1b. Amend Title V

Title V specifically defines Hispanic-Serving Institutions (HSIs), which are community colleges and four-year institutions that have at least a 25% Latino student enrollment. The purpose of Title V, as stated by ED is to: (1) expand educational opportunities for, and improve the academic attainment of Hispanic students, and; (2) expand and enhance the academic offerings, program quality, and institutional stability of colleges and universities that are educating the majority of Hispanic college students and helping large number of Hispanic students and other low-income individuals complete postsecondary degrees.27 According to Excelencia in Education, in 2014-15, there were 435 HSIs located in 18 states and Puerto Rico: 291 were two-year institutions and 291 were four-year institutions. They also stated that these institutions represented 13% of all IHEs and enrolled 62% of all Latino undergraduates in the U.S.28

ED’s Developing Hispanic-Serving Institutions (DHSI) Program provides grants to incentivize HSIs to expand upon their resources and services for Hispanic students under the auspices of Title V of the HEA.

Incentivize IHEs to Receive Funding by Applying for a Grant Program

ED should designate permanent staff to oversee a grant program that offers additional funding and support mechanisms to community colleges that can prove high transfer rates and degree attainment within five years. Existing models are: Federal TRIO programs and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), listed under Title IV–Part A of HEA. It is encouraged for institutions to apply to have TRIO program and/or GEAR UP programs in order to designate tutoring, academic, and counseling service resources for students from disadvantaged backgrounds. Congress can propose additional funding to TRIO and GEAR UP program or allow them to change their criteria so more schools can be served.

An alternative grant program may be introduced by ED to offer supplemental grants to IHEs that perhaps are not eligible to have a TRIO or GEAR UP program, but show a large enrollment of low-income students who qualify for high amounts of financial aid. The grant would achieve the same goal as with schools that are eligible for TRIO or GEAR UP, and ensure that schools are able to designate resources for students who enter from community college, as well as directly from high school. Accountability measures can be built to create a rewards system for community colleges specifically that can provide institutional data showing improved outcomes of successful transfer rates. The grant would offer oversight by ED, as well as create an incentive for community colleges to support their students.

3. Encourage More Two and Four-year Partnerships

More two-year and four-year institutions should be encouraged to reach out to one another and develop stronger partnerships that prioritize transfer. Having community colleges and four-year institutions’ working together has proven invaluable to support for transfer students such as scholarships, workforce training programs, and rebuilding infrastructure. Through these partnerships, IHE’s can increase their endowments, receive increased federal funding, and create a strong reputation in the local community that shows they want to invest in transfer students. Both states and organizations can look at other well-established partnerships such as Everett Community College in Washington State and how it can be modified to work in their state and/or local community. More public-private partnerships can be initiated more directly with community colleges and offer a full-range of options to Latino students.

Encourage other states and organizations as discussed earlier to use similar models. Benefits to the students, how it generally works, etc. benefits to both students and college.

Conclusion

The fight for educational equity for all students continues to this day. Community colleges still represent an important part towards college attainment; especially when the majority of Latinos begin their education at these institutions. On the state level, California has proven results when effective state policies are enacted. The federal government has an opportunity to contribute to the vitality of America’s workforce and ensure that all skill-leveled jobs are filled by 2025. Congress must take action by reauthorizing the Higher Education Act in the best interest of all U.S. students, particularly those in community college. Public-private partnerships with community colleges can also prove as an effective tactic to bring non-traditional students into the classroom.

The goal of reaching 60% college attainment by 2025 is still possible, but only if IHE’s, and state and federal governments invest. The investment must go towards student support services, financial aid, and other areas discussed in ensuring outcomes towards degree completion for Latinos. These efforts will help clear the pathway for Latino students to enroll in the community college system, access and complete their courses on time, and be given the resources to transfer within two years on to a four-year institution.
Endnotes


